

Program 050

**DSHS - Long Term Care****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2013-15 Expenditure Authority</b>	1,446.5	1,792,846	2,055,604	3,848,450
<b>Total Maintenance Level</b>	1,467.6	1,789,402	2,022,152	3,811,554
Difference	21.1	(3,444)	(33,452)	(36,896)
Percent Change from Current Biennium	1.5%	(0.2)%	(1.6)%	(1.0)%
<b>Performance Changes</b>				
Provider Compensation System		(2,447)	(7,575)	(10,022)
Community First Choice Option	2.5	296	296	592
Nursing Home Rate Increase			29,178	29,178
Retirement Actuarial Study		500		500
Health Path Washington	10.8	269	3,387	3,656
Vulnerable Adults Incident Tracking	6.5		5,388	5,388
Supported Living Investigations *	3.3		912	912
State Employee Health Insurance		(604)	(391)	(995)
<b>Subtotal</b>	23.1	(1,986)	31,195	29,209
<b>Total Proposed Budget</b>	1,490.6	1,787,416	2,053,347	3,840,763
Difference	44.1	(5,430)	(2,257)	(7,687)
Percent Change from Current Biennium	3.0%	(0.3)%	(0.1)%	(0.2)%

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS****Provider Compensation System**

Savings result from a six-month delay in implementation of the provider compensation system. Funds are provided through the Health Care Authority for contract changes relating to the project. The federal Office of the Inspector General has issued a finding for three consecutive years regarding time reporting for individual providers. The Department of Social and Health Services will contract with a fiscal employer agent to pay all W-2 paid providers. This change will result in compliance with Medicaid rules regarding time reporting for W-2 providers, federal financial participation requirements for federal matching funds, and collective bargaining agreement requirements. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Community First Choice Option**

Aging and Long-Term Support Administration (AL TSA) is provided one-time funding for three waiver managers and two data analysts. These five staff will create a viable plan to refinance Washington's personal care delivery system by implementing Community First Choice Option (CFCO), effective July 1, 2015. Section 2401 of the Affordable Care Act establishes the CFCO as an optional Medicaid service. If a state chooses to offer CFCO, it must be offered statewide to eligible Medicaid participants. As an incentive, the federal government will pay a 56 percent share of CFCO costs, 6 percent higher than the 50 percent share paid for similar Medicaid Home and Community Based Services. CFCO refinancing will capture up to \$81 million in additional federal revenue from enhanced Medicaid match to use for providing a broader range of in-home services and supports, without unintended consequences for other programs such as medical services provided by the Health Care Authority. (General Fund-State, General Fund-Federal)

### **Nursing Home Rate Increase**

The nursing home assessment fee is increased from the current 3.8 percent of costs to 6 percent. The additional revenues and federal matching dollars will be used to increase the daily Medicaid nursing home rate. Twenty percent of this increase will be directed to the low wage worker add-on. This change is effective July 1, 2014. (Skilled Nursing Facility Net Trust Fund-State, General Fund-Federal)

### **Retirement Actuarial Study**

Funding is provided to contract for an actuarial study to examine options for leveraging private resources and delaying or diverting Medicaid utilization for long-term care services. These options include: identifying regulatory changes to encourage the development and growth of new products that combine features of life insurance, long-term care insurance and annuities; and facilitating a marketplace for private long-term care insurance policies through the Washington Health Benefits Exchange.

### **Health Path Washington**

Expenditure authority is provided for a developmental grant to design improved coordination of services and manage costs for clients dually eligible for both Medicaid and Medicare. This is the second phase of the demonstration grant and will focus on clients in King and Snohomish Counties. The design grant does not require a state match in the first year of development; however, there is a 25 percent state match in the second year and 50 percent match in subsequent years. Fifty percent is the usual match rate for Washington state Medicaid programs. (General Fund-State, General Fund-Federal)

### **Vulnerable Adults Incident Tracking**

One-time expenditure authority is provided to complete the Tracking Incidents among Vulnerable Adults (TIVA) system. The TIVA system will better meet AL TSA's needs to improve incident tracking for clients who are aged and disabled, leading to better outcomes for vulnerable adults. A Roads to Community Living grant will fund this project. (General Fund-Federal)

### **Supported Living Investigations \***

A certification fee will be established for supported living providers. Funds generated from the fee will be used to hire additional residential and community services investigators to improve the timeliness of investigations. (General Fund-Private/Local, General Fund-Federal)

### **State Employee Health Insurance**

Funding for state employee health insurance is adjusted from \$763 per month per employee to \$703 per month per employee in Fiscal Year 2015. (General Fund-State, Other Funds)